Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

上海實業城市開發集團有限公司
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 563)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

The board of directors (the "**Board**") of Shanghai Industrial Urban Development Group Limited (the "**Company**") is pleased to announce that the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2018, together with the comparative figures for the year ended 31 December 2017, as follows:

FINANCIAL HIGHLIGHT

	For the year ended 31 December		
	2018	2017 (restated)	**Change**
Financial Highlights (HK$'000)			
Revenue	**6,977,683**	9,372,903	–25.6%
Gross profit	**3,380,865**	4,401,838	–23.2%
Gross profit margin	**48.5%**	47.0%	1.5 points
Profit attributable to owners of the company	**573,074**	536,109	6.9%
Financial Information per share (HK cents)			
Profit			
— Basic and Diluted	**11.91**	11.14	6.9%
Proposed Dividend/Dividend paid			
— Final dividend (HK cents)	**1.8**	1.6	12.5%
— Special dividend (HK cents)	**2.3**	2.5	–8.0%
	4.1	4.1	—
Net asset value attributable to owners of the Company per share (HK$)	**2.71**	2.86	–5.2%
	As at 31 December		
	2018	2017 (restated)	
Financial Ratios			
Net debt to total equity (%) (note)	**26.4%**	15.7%	

Note: Net debt = total borrowings (including bank and other borrowings) less bank balances and cash and restricted and pledged bank deposits.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTES	**2018** **HK$'000**	2017 HK$'000 (restated)
Revenue			
Goods and services	*4A*	**6,274,014**	8,721,866
Rental		**703,669**	651,037
Total revenue		**6,977,683**	9,372,903
Cost of sales		**(3,596,818)**	(4,971,065)
Gross profit		**3,380,865**	4,401,838
Other income	*5A*	**842,885**	407,212
Other expenses, gains and losses, net	*5B*	**(13,667)**	(28,849)
Fair value changes on investment properties, net	*11*	**(176,447)**	(39,496)
Impairment loss in respect of properties held-for-sale		**—**	(113,120)
Distribution and selling expenses		**(321,707)**	(235,255)
General and administrative expenses		**(385,812)**	(450,697)
Gains on disposal of subsidiaries	*15*	**234,712**	—
Finance costs	*6*	**(743,301)**	(639,381)
Share of results of associates		**6,859**	4,129
Profit before tax		**2,824,387**	3,306,381
Income tax	*7*	**(1,554,640)**	(2,081,971)
Profit for the year	*8*	**1,269,747**	1,224,410
Other comprehensive (expense) income for the year			
Items that will not be reclassified to profit or loss:			
Exchange differences arising on translation into presentation currency		**(1,256,914)**	1,620,222
Fair value loss on equity instruments at fair value through other comprehensive income, net of tax		**(43,079)**	—
Item that may be reclassified subsequently to profit or loss:			
Fair value loss on available-for-sale investment, net of tax		**—**	(26,182)
Other comprehensive (expense) income for the year		**(1,299,993)**	1,594,040
Total comprehensive (expense) income for the year		**(30,246)**	2,818,450

	NOTE	2018 HK$'000	2017 HK$'000 (restated)
Profit for the year attributable to:			
Owners of the Company		**573,074**	536,109
Non-controlling interests		**696,673**	688,301
		1,269,747	1,224,410
Total comprehensive income for the year attributable to:			
Owners of the Company		**(187,485)**	1,398,834
Non-controlling interests		**157,239**	1,419,616
		(30,246)	2,818,450
			(restated)
Earnings per share			
Basic *(HK cents)*	*9*	**11.91**	11.14
			(restated)
Diluted *(HK cents)*	*9*	**11.91**	11.14

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2018

	NOTES	**31 December 2018 *HK$'000***	31 December 2017 *HK$'000* (restated)	1 January 2017 *HK$'000* (restated)
Non-current assets				
Investment properties	*11*	**12,002,506**	14,946,610	13,762,814
Property, plant and equipment		**2,160,650**	2,387,632	1,729,907
Prepaid lease payments		**198,926**	222,976	213,435
Intangible assets		**57,980**	61,261	56,945
Interests in associates		**1,260,780**	1,221,279	1,135,065
Interest in a joint venture		**626,281**	65,718	65,718
Available-for-sale investments		**—**	273,458	287,993
Equity instruments at fair value through other comprehensive income		**169,599**	—	—
Pledged bank deposits		**16,566**	30,427	20,937
Other receivables and prepayment		**686,131**	26,739	103,394
Deferred tax assets		**282,089**	238,033	419,910
		17,461,508	19,474,133	17,796,118
Current assets				
Inventories	*12*	**31,075,378**	28,495,408	26,172,239
Trade and other receivables	*13*	**490,016**	1,732,496	1,457,293
Amounts due from related companies		**305,472**	885,897	1,148,055
Prepaid lease payments		**4,684**	4,942	4,593
Prepaid income tax and land appreciation tax		**439,144**	435,101	375,773
Financial assets at fair value through profit or loss		**2,805**	3,506	5,193
Restricted and pledged bank deposits		**83,442**	80,586	137,672
Bank balances and cash		**9,127,828**	13,185,306	13,039,272
		41,528,769	44,823,242	42,340,090
Assets classified as held-for-sale		**—**	180,232	—
		41,528,769	45,003,474	42,340,090

	NOTE	31 December 2018 HK$'000	31 December 2017 HK$'000 (restated)	1 January 2017 HK$'000 (restated)
Current liabilities				
Trade and other payables	*14*	**5,240,804**	5,390,662	5,269,050
Amounts due to related companies		**886,336**	1,564,233	1,043,981
Amounts due to associates		**10,451**	5,771	50,371
Consideration payables for acquisition of subsidiaries		**68,322**	736,249	935,291
Pre-sale proceeds received on sales of properties		**6,537,268**	6,969,335	8,067,800
Bank and other borrowings		**2,820,495**	4,068,888	854,595
Income tax and land appreciation tax payables		**2,655,058**	2,634,606	2,509,813
Dividend payable		**12,107**	10,044	8,384
Dividend payable to non-controlling shareholders		**170,803**	180,180	61,344
		18,401,644	21,559,968	18,800,629
Liabilities associated with assets classified as held-for-sale		**—**	154,804	—
		18,401,644	21,714,772	18,800,629
Net current assets		**23,127,125**	23,288,702	23,539,461
Total assets less current liabilities		**40,588,633**	42,762,835	41,335,579
Non-current liabilities				
Deferred revenue		**159,751**	201,892	195,776
Amounts due to related companies		**—**	415,615	279,142
Bank and other borrowings		**12,575,025**	13,022,367	14,159,552
Deferred tax liabilities		**4,478,051**	4,925,666	4,722,103
		17,212,827	18,565,540	19,356,573
		23,375,806	24,197,295	21,979,006
Capital and reserves				
Share capital		**192,439**	192,439	192,451
Reserves		**12,868,253**	13,575,180	12,352,442
Equity contributable to owners of the Company		**13,060,692**	13,767,619	12,544,893
Non-controlling interests		**10,315,114**	10,429,676	9,434,113
		23,375,806	24,197,295	21,979,006

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL

Shanghai Industrial Urban Development Group Limited (the "**Company**") is a public limited company incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended) as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its parent is Shanghai Industrial Holdings Limited (incorporated in Hong Kong and listed on the Stock Exchange) and its ultimate parent is Shanghai Industrial Investment (Holdings) Company Limited (a private limited company also incorporated in Hong Kong).

The principal activities of the Company and its subsidiaries are residential and commercial properties development, property investment and hotel operations in the People's Republic of China (the "**PRC**").

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**") as the Company is listed on the Stock Exchange, where most of its investors are located in Hong Kong. The functional currency of the Company is Renminbi ("**RMB**").

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and revised HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments and interpretation to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the amendments and interpretation to HKFRSs in current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

2.1 HKFRS 15 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and HKAS 11 and the related interpretations.

The Group recognises revenue from the following operations in the PRC:

- Residential and commercial properties development, including sales of properties;
- Property investment, including rental income from leasing of properties and service income from property management; and
- Hotel operations, including revenue from hotel operations.

In the opinion of the directors of the Company, the application of HKFRS 15 in the current year has had no material impact on the Group's financial performance and positions for current and prior years but results in more extensive disclosures in these consolidated financial statements.

2.2 HKFRS 9 "FINANCIAL INSTRUMENTS"

In the current year, the Group has applied HKFRS 9 "Financial Instruments" and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("**ECL**") for financial assets and financial guarantee contracts and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification of financial assets under HKFRS 9 and HKAS 39 at the date of initial application, i.e 1 January 2018.

	Note	Available-for-sale investments HK$'000	Equity instruments at fair value through other comprehensive income ("FVTOCI") HK$'000
Closing balance at 31 December 2017 HKAS 39		273,458	—
Effect arising from initial application of HKFRS 9: Reclassification			
From available-for-sale ("AFS") investments	(a)	(273,458)	273,458
Opening balance at 1 January 2018		—	273,458

(a) AFS investments

From AFS equity investments to FVTOCI

The Group elected to present in other comprehensive income ("OCI") for the fair value changes of all its equity investments previously classified as AFS, of which HK$118,800,000 related to unquoted equity investments previously measured at cost less impairment under HKAS 39. These investments are not held-for-trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK$273,458,000 were reclassified from AFS investments to equity instruments at FVTOCI, of which HK$118,800,000 related to unquoted equity investments previously measured at cost less impairment under HKAS 39. After performing assessment of fair value relating to the unquoted equity investments previously carried at cost less impairment that were adjusted to equity instruments at FVTOCI, no fair value change was recognised by the Group as at 1 January 2018 as the amount is immaterial. The fair value losses of HK$24,987,000 relating to the AFS investments previously carried at fair value, net of deferred tax of HK$6,247,000, continued to accumulate in investment revaluation reserve.

Details of the new accounting policies in relation to the application of HKFRS 9 and HKFRS 15 in the current year are set out in the consolidated financial statements which will be published in April 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

4A. REVENUE FROM GOODS AND SERVICES

Disaggregation of revenue from contracts with customers:

	2018	2017
	HK$'000	*HK$'000*
Types of goods or services		
Sales of properties	**5,966,198**	8,375,839
Property management	**12,163**	152,923
Hotel operations	**295,653**	193,104
Total	**6,274,014**	8,721,866

All the revenue of the Group generated from goods and services in respect of contracts with customers are originated in the PRC.

4B. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and performance assessment focuses on revenue analysis. No other discrete financial information is provided other than the Group's result and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

The Group's operations are located in the PRC. All revenue and non-current assets, excluding certain property and equipment of the Group are generated from and located in the PRC. No revenue from a single customer contributed 10% or more of the Group's revenue for the years ended 31 December 2018 and 2017.

5A. OTHER INCOME

	2018	2017
	HK$'000	*HK$'000*
		(restated)
Gains on land resumption	**538,579**	—
Interest income on bank deposits	**249,889**	287,345
Other interest income	**2,897**	13,606
Rental income from property, plant and equipment	**3,524**	8,639
Dividend income from financial instruments at FVTOCI	**653**	—
Dividend income from available-for-sale investments	**—**	363
Income from marketing and exhibition activities	**1,504**	2,746
Government grants	**14,256**	66,120
Others	**31,583**	28,393
	842,885	407,212

5B. OTHER EXPENSES, GAINS AND LOSSES, NET

	2018	2017
	HK$'000	*HK$'000*
		(restated)
Net exchange gain (loss)	**5,252**	(18,675)
Fair value of financial assets at fair value through profit or loss, net	**(541)**	(1,997)
Gains on disposal of property, plant and equipment	**664**	8,536
Others	**(19,042)**	(16,713)
	(13,667)	(28,849)

6. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
		(restated)
Interests on bank and other borrowings	**1,207,106**	950,329
Less: Amount capitalised into properties under development for sale	**(463,805)**	(310,948)
	743,301	639,381

7. INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2018 *HK$'000*	2017 *HK$'000* (restated)
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**809,528**	592,905
PRC Land Appreciation Tax ("**LAT**")	**939,611**	1,329,647
PRC withholding tax on dividend income	**27,251**	18,450
Capital gains tax on disposal of PRC entities by a non-resident company	**14,218**	—
	1,790,608	1,941,002
Under(over)provision in prior years:		
PRC EIT	**9,157**	(6,321)
PRC LAT	**—**	79,750
	9,157	73,429
Deferred tax	**(245,125)**	67,540
Income tax for the year	**1,554,640**	2,081,971

8. PROFIT FOR THE YEAR

	2018	2017
	HK$'000	*HK$'000*
		(restated)
Profit for the year has been arrived at after charging (crediting):		
Depreciation for property, plant and equipment	**130,029**	110,330
Less: Depreciation capitalised into properties under development for sale	**(3,156)**	(2,741)
	126,873	107,589
Amortisation of prepaid lease payments	**6,559**	6,370
Total depreciation and amortisation	**133,432**	113,959
Auditors' remuneration	**6,398**	5,729
Gross rental income from investment properties	**(703,669)**	(651,037)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	**122,930**	140,530
	(580,739)	(510,507)
Directors' remuneration	**10,601**	11,733
Other staff costs		
Salaries, wages and other benefits	**241,580**	248,564
Retirement benefit scheme contributions	**42,881**	37,381
Total staff costs	**295,062**	297,678
Less: Staff costs capitalised into properties under development for sale	**(47,371)**	(48,385)
	247,691	249,293
Cost of properties held-for-sale recognised as an expense	**3,472,008**	4,540,034
Cost of inventories for hotel operations recognised as an expense	**22,566**	184,032
Share of tax of associates (included in share of results of associates)	**2,295**	679

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2018	2017
	HK$'000	*HK$'000*
		(restated)
Earnings		
Earnings for the purposes of calculating basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company	**573,074**	536,109

Number of shares

	2018	2017
	'000	*'000*
Weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share	**4,810,973**	4,811,114

The computation of diluted earnings per share in both years does not assume the exercise of the Company's share options because the exercise price of the share options was higher than the average market price for both years.

10. DIVIDENDS

A final dividend and a special dividend of HK1.6 cents per ordinary share and HK2.5 cents per ordinary share respectively in respect of the year ended 31 December 2017, in an aggregate amount of approximately HK$197,250,000, were declared and an amount of approximately HK$195,187,000 was paid during the year ended 31 December 2018.

Subsequent to the end of the reporting period, a final dividend and a special dividend of HK1.8 cents per ordinary share and HK2.3 cents per ordinary share respectively in respect of the year ended 31 December 2018 have been proposed by the directors of the Company and is subject to approval by the shareholders at the forthcoming annual general meeting.

11. INVESTMENT PROPERTIES

	2018	2017
	HK$'000	*HK$'000*
		(restated)
FAIR VALUE		
At 1 January	**14,946,610**	13,762,814
Subsequent expenditure	**223,944**	180,179
Fair value changes on investment properties, net	**(176,447)**	(39,496)
Disposals	**—**	(5,676)
Carved-out	**(14,253)**	—
Transfer to inventories	**(2,290,284)**	—
Exchange realignment	**(687,064)**	1,048,789
At 31 December	**12,002,506**	14,946,610
Unrealised losses on revaluation of investment properties included in profit or loss for the year	**(176,447)**	(39,496)

The carrying value of investment properties shown above comprises completed properties which are situated on land in the PRC.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

12. INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	31 December 2018	31 December 2017
	HK$'000	*HK$'000*
		(restated)
Property development		
Properties under development for sale	**22,211,298**	19,756,224
Properties held-for-sale	**8,860,695**	8,735,513
	31,071,993	28,491,737
Hotel operations		
Food and beverage and others	**3,385**	3,671
	31,075,378	28,495,408

All of the properties under development for sale and properties held-for-sale are located in the PRC.

13. TRADE AND OTHER RECEIVABLES

	31 December 2018	31 December 2017
	HK$'000	*HK$'000*
		(restated)
Trade and other receivables recognised as current assets		
Trade receivables		
— Goods and services	**7,150**	7,257
— Operating lease	**12,496**	18,745
	19,646	26,002
Less: Loss allowance	**(737)**	(777)
	18,909	25,225
Other receivables	**207,938**	499,876
Advance payments to contractors	**70,467**	48,934
Prepaid other taxes	**180,939**	186,676
Deposits and prepayments	**11,763**	9,623
Prepayment for acquisition of land parcels	**—**	962,162
	490,016	1,732,496
Other receivables recognised as non-current assets		
Loan receivables	**18,515**	26,739
Prepayment for acquisition of land parcels	**667,616**	—
	686,131	26,739

The Group allows an average credit period of 90 days to its corporate hotel customers and generally grants no credit period to property buyers and tenants unless it is specially approved.

The following is an ageing analysis of trade receivables, net of loss allowance, presented based on the date of billing at the end of the reporting period:

	2018	2017
	HK$'000	*HK$'000*
Within 90 days	**18,552**	19,217
Within 91–180 days	**357**	1,156
Over 180 days	**—**	4,852
	18,909	25,225

14. TRADE AND OTHER PAYABLES AND DEFERRED REVENUE

	31 December 2018 HK$'000	31 December 2017 HK$'000 (restated)
Trade and other payables recognised as current liabilities		
Trade payables	**729,566**	826,771
Accrued expenditure on properties under development for sale	**2,464,448**	2,458,988
Amounts due to former shareholders of the Company's former subsidiaries	**160,831**	167,878
Receipts from customers for payment of expenses on their behalf	**—**	42,537
Rental deposits and receipt in advance from tenants	**202,945**	209,770
Interest payable	**54,499**	86,786
Payables to the Shanghai government department	**543,055**	537,540
Provision for compensation expense in relation to settlement of a legal case	**117,879**	124,350
Deposit received for disposal of a subsidiary	**217,604**	—
Deferred revenue	**41,977**	44,281
Accrued charges and other payables	**567,554**	785,803
Other taxes payables	**140,446**	105,958
	5,240,804	5,390,662
Deferred revenue recognised as non-current liabilities		
Deferred revenue	**159,751**	201,892

The following is an ageing analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	2018 HK$'000	2017 HK$'000 (restated)
Within 30 days	**—**	17,107
Within 31–180 days	**315,839**	299,016
Within 181–365 days	**21,752**	248,465
Over 365 days	**391,975**	262,183
	729,566	826,771

15. GAINS ON DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2018, the Group disposed of three subsidiaries namely Shanghai Shenda Property Company Limited 上海申大物業有限公司 ("Shanghai Shenda"), Shanghai Urban Development Commercial Property Development Company Limited 上海城開商用物業發展有限公司 ("Shanghai Commercial") and Fine Mark Investment Limited ("Fine Mark"). Details of the gains from these disposals are set out below:

The net assets of Shanghai Shenda at the disposal date are as follows:

	HK$'000
Consideration:	
Cash received	86,881
Analysis of assets and liabilities over which control was lost:	
Plant and equipment	140
Trade and other receivables	4,266
Bank balances and cash	138,642
Trade and other payables	(124,502)
Income tax payable	(697)
Net assets disposed of	17,849
Gain on disposal of Shanghai Shenda	
Total cash consideration	86,881
Net assets disposed of	(17,849)
Gain on disposal	69,032

The net assets of Shanghai Commercial at the disposal date are as follows:

	HK$'000
Consideration:	
Cash received	21,100
Analysis of assets and liabilities over which control was lost:	
Plant and equipment	409
Inventories	41
Other receivables	4,309
Bank balances and cash	30,129
Other payables	(23,800)
Income tax payable	(528)
Net assets disposed of	10,560
Gain on disposal of Shanghai Commercial	
Total cash consideration	21,100
Net assets disposed of	(10,560)
Gain on disposal	10,540

The asset of Fine Mark at the disposal date is as follows:

	HK$'000
Consideration:	
Cash received	220,858
Analysis of the asset over which control was lost:	
Interest in a joint venture	65,718
Gain on disposal of Fine Mark	
Total consideration	220,858
Assets disposed of	(65,718)
Gain on disposal	155,140

Summary of gains on disposal of subsidiaries

	HK$'000
Gains on disposal of subsidiaries:	
— Shanghai Shenda	69,032
— Shanghai Commercial	10,540
— Fine Mark	155,140
	234,712

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY MARKET REVIEW

In 2018, given the precise control over the supply and demand sides and rational market expectations, China's property market remained stable. The National People's Congress, the National Committee of the Chinese People's Political Consultative Conference and the Central Politburo reiterated the principle that "houses are built to be inhabited, not for speculation". Following the policy differences under the "City-based Policy", the local governments were able to strike a balance between supply and demand in different cities, and the transaction volume and prices of China's property market climbed up steadily on a whole. In particular, the demand for home purchase and living environment improvement remained intact in four major first-tier cities, namely Beijing, Shanghai, Guangzhou and Shenzhen, as well as the core cities in mid and western China (represented by Xi'an). The market competitiveness of quality medium to high end residential housing offering a pleasant living environment stayed strong. Besides, while the austerity measures worked towards adjusting market demand, a long-term mechanism was established on the supply side to promote the development of the residential leasing market. With industrial reforms coming to an advanced stage, only urban operators that cater to the need for industrial restructuring and persist in diversified development can stay control over fluctuations and excel in the industry.

BUSINESS REVIEW

Overview

In 2018, by virtue of an extensive geographical coverage covering core first- and second-tier cities with a focus on Shanghai and a wide range of precisely-positioned products, the Group gained new market insights in the transforming property industry and saw a proliferation of its core operations in various districts. During the year, flagship projects, including Urban Cradle in Shanghai, Grand Mansion in Shanghai and Originally in Xi'an, were the Group's main contributors of sales revenue, bringing in loads of sales for the Group. As for investment properties, the Group further promoted cross-sector development by constructing "commerce+" complex projects to provide a fully upgraded experience and concentrated on developing and renovating commercial projects occupying prime sites in popular cities, such as Shanghai, Beijing and Chongqing. The enhancement of the Group's leasing capability led to higher rental income. During the year, the Group also acquired Shanghai's first commercial and office land parcel under the "urban village" renewal project in Meilong Town, Minhang District, Shanghai to expand the "commerce+" roadmap. Meanwhile, in response to the call for "encouraging both house purchase and rental", the Group acquired two land parcels for "rental residential properties" in Shanghai, with a total site area of 64,544.3 sq.m., which fueled the Group's development in the new industrial landscape.

Contract Sales

During the year ended 31 December 2018, the contract sales from commodity housing of the Group amounted to RMB5,149,000,000 (2017: RMB5,936,000,000). Total contract sales in terms of G.F.A. were 239,000 sq.m. during 2018, down 38.1% year-on-year. The average selling price rose to approximately RMB21,500 per sq.m. mainly because of the delay in rolling out new projects and carrying forward revenue during the first three quarters due to the imposition of price limits. In 2018, Urban Cradle in Shanghai, Originally in Xi'an, Contemporary Art Villa in Shanghai and Shenyang • U Center were the Group's principal projects for sale, which accounted for approximately 43.5%, 35.4%, 9.7% and 6.4% of the total contract sales during the year.

New Project Acquisition (Land Bank)

As at 31 December 2018, the Group's land bank was developed into 25 property projects located in 10 major cities in China, including Shanghai, Beijing, Tianjin, Xi'an, Chongqing, Kunshan, Wuxi, Shenyang, Changsha and Shenzhen, and comprised medium to high class residential and commercial properties, most of which were completed or under construction. The Group has a future saleable planned G.F.A. of approximately 3,883,000 sq.m. to support its development pipeline for the next three to five years.

SIUD continued to adopt a multi-pronged land acquisition strategy as ever and sought to increase the possibility of acquiring new projects through participation in bidding, auction and listing-for-sale, equity acquisition, urban renewal and redevelopment. During the year, the Group won the bid in two open bidding auctions for two land parcels in Shanghai for "rental residential" purpose, signifying the Group's entry in the residential leasing market. In November 2018, the Group won the bid for a parcel of land situated at Caohejing Road, Xuhui District, Shanghai for "rental residential" purpose with a total site area of 17,161 sq.m. at a land premium of RMB456,480,000. In December 2018, the Group made another successful attempt and won the bid for a parcel of land situated at Zizhu Hi-Tech Industrial Development Zone, Wujing Town, Minhang District, Shanghai for "rental residential" purpose with a total site area of 47,383.3 sq.m. at a land premium of RMB649,100,000. These land parcels will be developed into residential properties based on the type of land use, and the completed housing units will be available for rent in the open market. Development of rental residential properties will bring steady rental income for SIUD in the long run and allow the Group to explore a new business form in Shanghai, in response to the national housing system of "encouraging both house purchase and rental".

Besides, the Group also made breakthroughs with initial achievements in primary commercial land development in Shanghai. In July 2018, SIUD acquired Shanghai's first commercial and office land parcel under the "urban village" renewal project in Meilong Town, Minhang District, Shanghai at RMB522,530,000. With a total site area of 20,571.9 sq.m., the land is planned to be developed into a sophisticated lifestyle centre integrating commerce and offices, culture and education, leisure and entertainment and lifestyle retail with a focus on community commerce to lay a strategic foundation for the long-term development of the Group in Minhang District.

SIUD also engaged in joint primary and secondary land development through equity acquisition to create synergy with its principal operations. In January 2018, the Group acquired 35% equity interest in Shanghai Real Estate Northern Region Investment Development Company Limited, which was engaged in primary land development, at a consideration of RMB88,338,100. Then in February 2018, the Group acquired the entire equity interest in Shanghai Shangtou Real Estate Investment Company Limited, which was engaged in secondary land development, at a consideration of RMB530,827,057.

Property Development

During the year ended 31 December 2018, the Group had 12 projects with a total G.F.A. of 2,719,000 sq.m. under construction, which primarily included TODTOWN in Shanghai, Binjiang U Center in Shanghai, Originally in Xi'an, Shenyang • U Center and Shanghai Shangtou Xinhong. The floor space started of the Group was 1,346,000 sq.m., which mainly came from in Shanghai Binjiang U Center and Shangtou Xinhong. The Group delivered a total G.F.A of 269,000 sq.m., which mainly comprised Urban Cradle in Shanghai, Originally in Xi'an and Grand Mansion in Shanghai.

Many of the Group's residential projects continued to roll out new housing units for sale, and the transaction volume and prices remained steady. As the last project under Urban Cradle in Shanghai, Royal Mansion was launched for sale in October 2018 and recorded an impressive sales of RMB1.5 billion in just an hour after the launch. In August 2018, Towers 1 and 3 of the phase I residential portions of TODTOWN, a symbolic metro superstructure associate project in China, were sold out in three hours after being launched. The supply of new housing units continued under Originally in Xi'an. The premium, exquisite and slightly-luxurious A12 residential units were launched for sale in May 2018 and were again swiftly sold out soon after being launched. Moreover, Contemporary Art Villa in Shanghai was officially launched for sale in the second half of 2018. As a pure villa project rarely found in Shanghai, the project successfully attracted a lot of high-end home buyers who were pursuing a high-quality life. Dozens of standalone villas were swiftly presold.

SIUD will continue to closely monitor the latest trends in China's property market and seek to sell its medium to high end residential projects at the best possible price at opportune times. Tower 2 of the phase I residential portions of TODTOWN in Shanghai and Contemporary Art Villa, an urban villa community project rarely found in the market, are already well prepared for sale, while a wide range of products in Shanghai, Tianjin, Xi'an and Shenyang are also set to be released. All these projects will definitely attract another wave of buyers in each city, boost the sales performance of the Group and contribute generous income for the Group as its main sources of income.

Investment Properties

By continuing to devote its efforts to developing commercial assets, SIUD successfully attracted famous national and international brands as its tenants and witnessed a surge in both its leasing capability and rental efficiency. For the year ended 31 December 2018, the commercial projects held by the Group in five major cities in China provided a total operational G.F.A. of over 640,000 sq.m., and the overall rental income increased by 8.1% year-on-year to HK$703,669,000 (2017: HK$651,037,000 (restated)). During the year, SIUD stepped up its efforts to develop and renovate the commercial projects situated in the prime sites of key cities, such as Shanghai, Beijing and Chongqing. The maturity of the product lines under the "Ucenter series", "Uplaza+ series" and "Urban renewal series" further refined the commercial asset portfolio of the Group. More than 1 million sq.m. of commercial properties is expected to be completed in the next three to five years.

During the year, YOYO Tower, which is located in the key commercial area of Xujiahui, Shanghai, grandly opened in October 2018 as an innovative commercial and office complex after the completion of its renovation. Moreover, targeted to be an international commercial and trading platform, ShanghaiMart introduced the "Hongqiao Trade Facilitation One-Stop Service Centre" of Changning District as its tenant to realize one-stop customs clearance and inspection. Together with the tenancy with industrially influential tenants, ShanghaiMart witnessed a rise in both rental income and occupancy rate. In future, Binjiang U Center and TODTOWN, which are two upcoming commercial and office property landmarks positioned as brand new business lifestyle experience complexes in Shanghai, will become SIUD's engine for revenue growth.

FINANCIAL REVIEW

Revenue

During the year ended 31 December 2018, the Group's revenue decreased by 25.6% year-on-year to HK$6,977,683,000 (2017: HK$9,372,903,000 (restated)), primarily due to the Group's delay in rolling out new projects and carrying forward revenue during the first three quarters with the imposition of price limits. During the year, property sales remained as the Group's main source of revenue and amounted to HK$5,966,198,000 (2017: HK$8,375,839,000), accounting for 85.5% (2017: 89.4%) of the Group's total revenue. The revenue contribution from Urban Cradle in Shanghai, Originally in Xi'an, Grand Mansion in Shanghai and Royal Villa in Kunshan accounted for 48.5%, 29.7%, 13.3% and 4.3% of property sales, respectively.

Revenue from leasing, property management and services, and hotel operations continued to provide stable revenue sources for the Group, contributing HK$703,669,000, HK$12,163,000 and HK$295,653,000 (2017: HK$651,037,000, HK$152,923,000 and HK$193,104,000 (restated)) respectively and accounting for 10.1%, 0.2% and 4.2% (2017: 6.9%, 1.6% and 2.1% (restated)) of the total revenue, respectively.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2018, the Group's gross profit amounted to HK$3,380,865,000, representing a decrease of 23.2% compared with that of 2017. Gross profit margin was 48.5%, up by 1.5 percentage points as compared to that of the same period last year, mainly because most of the properties completed and delivered by the Group were high return projects in Shanghai and the Group adopted a steadily increasing pricing strategy during the year.

Investment Property Revaluation

For the year ended 31 December 2018, the Group recorded a net loss on revaluation of investment properties of approximately HK$176,447,000, which was mainly attributable to Top City in Chongqing and Contemporary Art Villa in Shanghai.

Distribution and Selling Expenses

For the year ended 31 December 2018, the Group's distribution and selling expenses rose 36.7% year-on-year to HK$321,707,000 (2017: HK$235,255,000 (restated)), which was mainly attributable to the increase in marketing and promotion expenses due to the launch of new projects.

General and Administrative Expenses

For the year ended 31 December 2018, the Group's general and administrative expenses decreased by 14.4% to HK$385,812,000 (2017: HK$450,697,000 (restated)), which was mainly attributable to the Group's efforts in stringent implementation of cost control measures which proved to be effective.

Other Expenses, Gains and Losses, Net

For the year ended 31 December 2018, the Group recorded a net loss of approximately HK$13,667,000 in other expenses, gains and losses (2017: net loss of HK$28,849,000 (restated)), the changes mainly due to the change in exchange rates of Renminbi.

Profit

During the year ended 31 December 2018, the Group's profit increased by 3.7% to HK$1,269,747,000 (2017: HK$1,224,410,000 (restated)). During the year, the Group recorded a one-off gain of approximately HK$155,140,000 from the disposal of the entire issued share capital of Fine Mark Investment Limited, an indirect wholly-owned subsidiary, and assignment of the outstanding loans for an aggregate consideration of RMB176,750,000 on 17 April 2018. Profit attributable to owners of the Company was approximately HK$573,074,000 (2017: HK$536,109,000 (restated)). The basic and diluted earnings per share amounted to 11.91 HK cents (2017: basic and diluted earnings per share of 11.14 HK cents (restated)).

Liquidity and Capital Resources

The Group manages its capital to ensure that entities within the Group will be able to operate on a going concern while maximising the return to shareholders through optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank and other borrowings, cash and cash equivalents, and equity attributable to owners of the Company (comprising issued share capital and reserves).

As at 31 December 2018, bank balances and cash of the Group were HK$9,127,828,000 (31 December 2017: HK$13,185,306,000 (restated)). The net debt to total equity of the Group (net debt (total bank and other borrowings less bank balances and cash and restricted and pledged bank deposits) to total equity) increased from 15.7% as at the end of last year to 26.4%. Current ratio rose slightly to 2.3 times (31 December 2017: 2.1 times (restated)).

As at 31 December 2018, the total borrowings of the Group including bank borrowings, other borrowings and advanced bonds amounted to approximately HK$15,395,520,000 (2017: HK$17,091,255,000 (restated)).

The Group maintained sufficient cash balance during the year. The management believes that the Group's financial resources and future revenue will be sufficient to support the current working capital requirements and future expansion of the Group.

Foreign Exchange Risks

During the year, most of the Group's revenue and operating costs were denominated in Renminbi. Except for the bank deposits denominated in foreign currencies, the Group's operating cash flow or liquidity is not directly subject to any other material exchange rate fluctuations. The Group did not enter into any foreign exchange hedging arrangements to control its exposure to exchange rate fluctuations as at 31 December 2018. However, the Group will adopt necessary measures whenever appropriate to minimise the impact arising from exchange rate fluctuations.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2018, the Group employed 783 employees (including Hong Kong and PRC offices). The remuneration policies for the employees of the Group are determined according to the performance, qualification, experience and competence of the employees. The emoluments of the directors of the Company (the "**Directors**") are determined by the remuneration committee of the Company, having regard to the operating results of the Group, individual performance and comparable market statistics. Staff benefits include discretionary bonus payments which are linked to the profitability of the Group and individual performances and contributions to the Mandatory Provident Fund Schemes.

The Group had adopted a share option scheme as an incentive to the Directors and eligible employees. During the year ended 31 December 2018, the Group provided training programs relating to work to employees. Activities aiming at building up team spirit were regularly organized for employees, so as to enhance the human capital of the Group and the sense of belonging of the staff.

OUTLOOK

In light of the drastic changes in the external environment, with its tenacity, China will maintain steady economic development in 2019. "Stability" will be the main theme of the property market. With the goals of "stabilizing land premiums, property prices and market expectations", the austerity measures will further emphasize city-based and categorized management and reform the mid- to long-term housing system, including encouraging both home purchase and rental. As austerity policies become the norm, the property market will change from high speed growth and frequent fluctuations to generally stable and rational development. A company with steady and expectable growth and a high quality and sound asset portfolio will enjoy more flexibility and be better able to realize its value.

As a China-first urban operator in core areas, by staying pragmatic yet aggressive and adopting lean management, SIUD will take advantage of the demand overflow and rotation in the core areas of main city clusters in China with a focus in the Yangtze River Delta and reasonably time the launch of its residential projects in Shanghai, Xi'an, Tianjin and Shenyang in order to fully realize the value of its projects. As for commercial properties, SIUD will make sure that the tenant mix, customer growth and rental income will continue to improve to support the steady increase of the efficiency of its commercial assets, thereby laying a solid foundation for the future high-quality business growth of SIUD. In the meantime, in view of the development of the residential leasing market, the Group will accelerate in rental residential property development and strive to construct high quality apartments with its Shanghai-style craftsmanship. The synergistic development of the residential leasing operation with the residential and commercial divisions will quicken the Group's steps in transforming and upgrading to a new operational model and support the diversified development of the Group. Hence, the Group will be able to fully satisfy the demand for high quality housing and residence of most urban dwellers.

In a market featured with accelerated integration and intense competition, the Group will continue to adopt a sound financial management approach to ensure sufficient cashflows and a healthy debt structure, so as to secure the high quality and sustainable development of the Group with solid financial fundamentals. In the meantime, the Group will capitalize on its advantages as a state-owned enterprise and take greater effort in obtaining premium land resources through participation in bidding, auction and listing-for-sale in the primary market and mergers and acquisitions in the secondary market while controlling the acquisition cost of land and strengthening risk control. The Group will also promote the integration of industry and finance and speed up in realizing its profits.

After years of operating in the property market in first- and second-tier cities, especially Shanghai, not only has SIUD built up a diversified business portfolio and solid financial foundation, it has also become more determined to push forward reforms and innovative leadership in order to support the steady progress of the Group in the new industrial landscape.

ANNUAL GENERAL MEETING

It is proposed that the 2019 annual general meeting of the Company will be held on Wednesday, 22 May 2019 (the "**2019 AGM**"). Notice of the 2019 AGM will be published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (www.hkex.com.hk) and the Company (www.siud.com) and despatched to the shareholders of the Company (the "**Shareholders**") in the manner as required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange in due course.

FINAL DIVIDEND AND SPECIAL DIVIDEND

The Board recommends the payment of a final dividend of 1.8 HK cents per share in cash and a special dividend of 2.3 HK cents per share in cash for the year ended 31 December 2018 (for the year ended 31 December 2017: final dividend of 1.6 HK cents per share in cash and special dividend of 2.5 HK cents per share in cash) to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 31 May 2019, subject to approval by the Shareholders at the 2019 AGM. It is expected that the final dividend and special dividend warrants will be despatched to those entitled Shareholders on or around Monday, 24 June 2019.

CLOSURE OF REGISTER OF MEMBERS

Entitlement to attend and vote at the 2019 AGM

The 2019 AGM is scheduled to be held on Wednesday, 22 May 2019. For determining the entitlement to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Friday, 17 May 2019 to Wednesday, 22 May 2019, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2019 AGM, unregistered holders of shares of the Company should ensure that all duly completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30p.m. on Thursday, 16 May 2019.

Entitlement to receive the proposed final and special dividend

For determining the entitlement of the Shareholders to receive the proposed final and special dividend, the Company's register of members will be closed from Wednesday, 29 May 2019 to Friday, 31 May 2019, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final and special dividend (subject to Shareholders' approval at the 2019 AGM), all duly completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30p.m. on Tuesday, 28 May 2019.

CORPORATE GOVERNANCE

During the year ended 31 December 2018, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "**Code**") contained in Appendix 14 to the Listing Rules except as deviated hereunder.

Code Provision A.2.1 of the Code

The code provision A.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Following the re-designation of Mr. Ji Gang ("**Mr. Ji**") as the chairman of the Board (the "**Chairman**") since 2 February 2015, there had been a deviation from code provision A.2.1 as Mr. Ji had also been performing the role of chief executive of the Group until 23 May 2018, the date of his retirement as the Chairman, the president and an executive Director. The Board was aware of the said deviation but considered that this arrangement was appropriate and in the best interests of the Group as it helped to maintain the continuity of the Group's policies and strategies and the stability of the operations of the Group. The Board also considered that such arrangement did not impair the balance of power and authority between the Board and the management of the Company as the Board did meet regularly on a quarterly basis to review the operations of the Group and to consider other major matters affecting the business development and operations of the Group.

Following the retirement of Mr. Ji as the Chairman, the president and an executive Director at the annual general meeting held on 23 May 2018 (the "**2018 AGM**"), Mr. Zeng Ming was appointed as the Chairman and an executive Director while Mr. Zhou Xiong was appointed as the vice chairman, the president and an executive Director with effect from the conclusion of the 2018 AGM. Therefore, there is no longer aforesaid deviation since then.

Further information on the Company's corporate governance practices will be set out in the Corporate Governance Report contained in the Company's annual report for the year ended 31 December 2018, which will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The audit committee of the Company currently comprising three independent non-executive Directors, namely Mr. Li Ka Fai, David (Committee Chairman), Mr. Doo Wai-Hoi, William, *J.P.* and Mr. Fan Ren Da, Anthony, has reviewed the audited financial statements of the Group for the year ended 31 December 2018 and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group; risk management and internal controls; and financial reporting matters.

SHARE CAPITAL

The Company's issued and fully paid share capital as at 31 December 2018 amounted to HK$192,438,927.56 divided into 4,810,973,189 ordinary shares of HK$0.04 each.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding dealings in the securities of the Company by the directors and the relevant employees (who are likely to be in possession of inside information relating to the Company or its securities) (the "**Guidelines for Securities Transactions by Relevant Employees**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards as set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the year ended 31 December 2018.

In addition, no incident of non-compliance of the Guidelines for Securities Transactions by Relevant Employees by the relevant employees of the Group was noted by the Company throughout the year ended 31 December 2018.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.siud.com). The annual report of the Company for the year ended 31 December 2018 containing all the applicable information required by the Listing Rules will be despatched to the Shareholders as well as published on the above websites in due course.

CHANGE OF PRINCIPLE PLACE OF BUSINESS IN HONG KONG

The principle place of business of the Company in Hong Kong will be changed to 11th Floor, Henley Building, 5 Queen's Road Central, Hong Kong with effect from 18 April 2019. The website, telephone and facsimile numbers will remain unchanged.

APPRECIATION

I would like to express my sincere gratitude to the Board, our management and all our staff for their dedicated efforts during this year as well as to our customers, suppliers, business partners and shareholders for their continued enthusiastic support to our Group.

By order of the Board of
Shanghai Industrial Urban Development Group Limited
Zeng Ming
Chairman

Hong Kong, 27 March 2019

As at the date of this announcement, the Board comprises Mr. Zeng Ming, Mr. Zhou Xiong, Mr. Lou Jun, Mr. Fei Zuoxiang, Mr. Ye Weiqi, Ms. Huang Fei and Mr. Zhong Tao as executive directors and Mr. Doo Wai-Hoi, William, J.P., Mr. Fan Ren Da, Anthony, Mr. Li Ka Fai, David and Mr. Qiao Zhigang as independent non-executive directors.